



UC Irvine Gavin Herbert Eye Institute Partnership Program (Vision Research Consortium)

CONSORTIUM AGREEMENT

This agreement is made this day, [**“Effective Date”**] by and between the Non-Profit Partner and the Industrial Partners.

The Regents of the University of California, on behalf of its Irvine campus (Non-Profit Partner), and the Industrial Partners to this Consortium Agreement have established an industry-university consortium (“UC Irvine Vision Research Consortium”) that is dedicated to the advancement both the knowledge and practice of ocular and visual health and functioning. Through partnership in the UC Irvine Vision Research Consortium the Non-Profit Partner and Industrial Partners will conduct research in the areas critical to its mission, including but not limited to the development of knowledge, methods, devices, materials or substances that promote, maintain or improve ocular health and visual functioning.

Industrial Partners will provide support to the UC Irvine Vision Research Consortium in order to secure certain benefits available only through the work of the UC Irvine Vision Research Consortium. The UC Irvine Vision Research Consortium may also receive support from governmental sources. For these mutual benefits and considerations each to the other, the parties to this agreement consent to the following terms and conditions.

Article 1 - Definitions

As used in this agreement, the following terms shall have the following meanings:

- 1.1 “UC Irvine Vision Research Consortium” is a group of investigators, from UC Irvine and Industry Partners, whose objective is (i) to advance both the knowledge and practice of ocular and visual health and functioning, and (ii) to efficiently make use of these advancements.
- 1.2 “Industry Partner” is a For-Profit Organization that contributes resources to the mission and work of the UC Irvine Vision Research Consortium and which has signed the UC Irvine Vision Research Consortium Agreement.
- 1.3 “Partner” is either an Industry Partner or the Non-Profit Partner.
- 1.4 “UC Irvine Vision Research Consortium Inventions” means any inventions, as defined in U.S. patent law, (a) conceived and reduced to practice by one or more persons who are employed by the Non-Profit Partner which is made in the performance of

Consortium Research, or (b) conceived and reduced to practice by one or more persons who are employed by the Non-Profit Partner and an Industry Partner which is made in the performance of Consortium Research.

- 1.5 The "Executive Committee" sets the UC Irvine Vision Research Consortium objectives and policy, reviews Scopes of Study, and allocates UC Irvine Vision Research Consortium research funds for Consortium Research. The Executive Committee is composed of not more than 5 and not less than 3 members appointed to 3 year terms by the Chair of the UC Irvine Department of Ophthalmology. At least one member of the Executive Committee will be a full time member of the research faculty and one will be a member of the clinical faculty. The Executive Committee has a broad range of responsibilities, including: promoting collaborations and new research projects within the UC Irvine Vision Research Consortium, providing oversight for existing research projects, reviewing/recruiting applications of potential new members, and evaluating proposed research projects in Scopes of Study. The EC shall be advised by an Industrial Advisory Board comprised of representatives of the Industrial Partners as well an administrative facilitator, supported, at least partly by consortium funding.
- 1.10 The "Industrial Advisory Board" will consist of representatives of the Industrial Partners. The Industrial Advisory Board ("IAB") will provide review and counsel to the EC on (a) the research and educational activities of the UC Irvine Vision Research Consortium, (b) the apportionment of resources to these activities, and (c) UC Irvine Vision Research Consortium operating procedures. The executive committee of the IAB is composed of not more than 5 and not less than 3 members appointed to 3 year terms by the Chair of the UC Irvine Department of Ophthalmology. The IAB executive committee represents the full IAB and its membership.
- 1.11 "Consortium Research" is research funded wholly or in part by unrestricted cash payments in the form of Membership Dues from Industrial Partners for research and/or development projects carried out by the UC Irvine Vision Research Consortium.
- 1.12 "Membership Dues" are contributions of resources, including cash, services and equipment, by Industry Partners.
- 1.13 "Sponsored Research" is a research project carried out by the Non-Profit Partner and funded solely by an Industry Partner or group of Industry Partners outside of the UC Irvine Vision Research Consortium research.
- 1.14 "Scope of Study" is a proposal that describes the research to be performed by the Partner(s), the identities and/or descriptions of the personnel working on Scope of Study, and the financial support requested of the UC Irvine Vision Research Consortium for the performance of its studies.
- 1.15 "Collaborating Partners" are those organizations whose personnel are listed on a particular Scope of Study.
- 1.15 "Participation Period" means the period of time during which any Partner was part of the UC Irvine Vision Research Consortium. For purposes of exercising the option to license UC Irvine Vision Research Consortium Inventions under Section 7, Participation Period

shall be deemed to start 30 days after a Partner has signed this Agreement and end 60 days after a Partner has withdrawn from the UC Irvine Vision Research Consortium or has been terminated from the UC Irvine Vision Research Consortium.

Article 2 - Operation of UC Irvine Vision Research Consortium

2.1. The EC shall approve all UC Irvine Vision Research Consortium activities and funding of Scopes of Study.

2.2 Applications for funding from the UC Irvine Vision Research Consortium for Consortium Research by Partners will be made through Scopes of Study submitted to the EC. The EC will distribute the proposals to the IAB so it can make recommendations to the EC. All final decisions regarding the allocation of research funds for Scopes of Study will be made by the EC.

2.3 Any investigator from Partner(s) (“Investigator”) seeking research funding from UC Irvine Vision Research Consortium for Consortium Research shall prepare and submit a “Scope of Study” to the EC.

2.3.1 Contents. Each Scope of Study will be in writing and contain the following in such detail as the EC, upon the recommendation of the IAB, may specify:

- (i) A general statement as to the anticipated contribution of the subject research to the UCI Consortium.
- (ii) A list of all collaborating partner organizations and individuals involved in the proposed research and the locations of work to be performed
- (iii) Tasks/Projects to be performed by the Partner(s) during the first 12 month period following submission, with tasks/projects to be subcategorized.
- (iv) A time line against which the progress and/or completion of the tasks/projects referred to in clause (ii) above may be measured, as well as a list of task/project “deliverables”, if any, and expected dates of progress and/or completion.
- (v) A budget for the costs of the tasks/projects referred to in clause (ii) above for the 12 month period referenced in that clause, together with an estimate of the direct cost of commitments, if any, which might extend beyond such period (“Commitments”).
- (vi) Such other information as may be requested by the EC or IAB.

2.3.2 Budget Modifications. In the event that an Investigator determines that it is necessary to make a material change in its then approved Scope of Study, it will promptly notify in writing the EC. Any such notice will detail the changes/amendments and explain the reasons for the changes/amendments. Following review and input from the IAB, the EC will approve, reject, or modify the Scope of Study.

Article 3 – Membership Dues and Benefits

3.1 Industrial Partner(s) as a condition of membership in the UC Irvine Vision Research

Consortium will contribute Membership Dues as determined by the EC for use by the UC Irvine Vision Research Consortium. Industry Partners will be asked to contribute no more than 50% of Membership Dues in equipment, services, and up to 100% of Membership Dues in cash. For Membership Dues in the form of an unrestricted cash payment, the Industry Partner will provide annually to UC Irvine the sum required in accordance with this Section 3.1 to support the UC Irvine Vision Research Consortium unless or until the parties agree to change the level of support. Industrial Partner(s) will have the option of making its payment by one of the two following methods:

- (i) One annual payment due within 30 days of the Effective Date of this Agreement. Each subsequent annual payment will be paid on the twelfth month anniversary date of the Effective Date of this Agreement.
- (ii) Equal semi-annual payments with the first payment due within 30 days of the Effective Date of this Agreement. Each subsequent semi-annual payment will be paid each six months thereafter. Checks should be made payable to “The Regents of the University of California” indicating the purpose of the payment, and remitted to:

UC Irvine Vision Research Consortium
University of California, Irvine
101 The City Drive South
Building 55, Room 224
Orange, CA 92868

3.2 Industrial Partners will receive the following benefits in consideration of their support. These benefits will extend to subsidiaries of Industrial Partners who are at least 50% owned by the Industrial Partner.

3.2.1 Information:

- (i) Each Industrial Partner will receive one copy of all UC Irvine Vision Research Consortium publications, including theses and papers appearing in peer reviewed literature prior to publication.
- (ii) First-hand access to the UC Irvine Vision Research Consortium student/researcher pool, a potential source of interns and future employees.

3.2.2 Research and Intellectual Property:

- (i) Industry Partners will have the opportunity to participate in the discussion and decision-making about proposed research topics of the UC Irvine Vision Research Consortium through representation on the Industrial Advisory Board (IAB). Representation on the IAB is limited to 3 employee(s) of each Industrial Partner.
- (ii) The right to use, by Industrial Partner for its internal research and evaluation, all reports, data, and information made available by the UC Irvine Vision Research Consortium, so long as Confidential Information is protected according to Article 5
- (iii) Early access to intellectual property developed by the UC Irvine Vision Research Consortium as a result of the Consortium Research on terms

as provided in Section 7 and through representation on the Industrial Advisory Board (IAB).

- (iv) The opportunity to support Sponsored Research projects with the Non-Profit Partner after mutual agreement.
- (v) Reduction of indirect costs (overhead) on Consortium Research.

3.2.3 Space and Services:

- (i) Industry Partners will have access to the services of a Designated UC Irvine Vision Research Consortium Facilitator for basic research and clinical trial collaborations which will include streamlined contracts and grants submissions and streamlined animal and IRB approvals
- (ii) Industry Partners will have access to designated space in the Eye Institute including full service office and conference room for visiting Partners and protected meetings, as well as convenient access to laboratory, library and vivarium facilities.
- (iii) Access and participation in educational events and programs such as directed medical education events coordinated with the UC Irvine Gavin Herbert Eye Institute's CME Program and the opportunity to create, with institute personnel, custom training sessions and short-courses for employees.
- (iv) Concierge clinical services including one stop appointments and facilitated consultations.

Article 4 – Membership and Termination

4.1 New Membership. From time to time, the EC shall consider the addition of new Partners to the UC Irvine Vision Research Consortium. In order to be considered for membership, the new Partner must:

- 4.1.1 Subscribe to the objectives of the UC Irvine Vision Research Consortium as set forth in this Agreement;
- 4.1.2 Be willing and able to collaborate with existing Partners, and their investigators, as necessary or appropriate to accomplish the objectives of the UC Irvine Vision Research Consortium; and
- 4.1.3 Be willing and able to utilize and comply with the existing UC Irvine Vision Research Consortium processes for approving and conducting Consortium Research projects.

New membership shall be subject to approval by the EC and upon execution of this Agreement by the new Partner. Rights to UC Irvine Vision Research Consortium research initiated prior to new membership shall be determined by the EC after consultation with the IAB and may require additional payments beyond current dues.

4.2 This Agreement will remain in effect as of the Effective Date, and will be automatically renewed each year, until such time as a Partner withdraws from the UC Irvine Vision Research Consortium or the UC Irvine Vision Research Consortium terminates this Agreement as to an Industry Partner.

4.3 A Partner may withdraw its partnership by giving the UC Irvine Vision Research Consortium

a written notice of withdrawal no less than ninety (90) days prior to the effective date of withdrawal. In the event of such withdrawal by an Industrial Partner, the Industrial Partner shall not be required to make any further payment of Membership Dues beyond the effective date of withdrawal; however, no refunds of Membership Dues already received by the UC Irvine Vision Research Consortium shall be provided to Industrial Partners.

4.4 The UC Irvine Vision Research Consortium may terminate the membership of an Industrial Partner for failure to pay, when due, any Membership Dues or other default of this agreement unless the Industrial Partner shall have made the required payment or corrected the default within thirty (30) days from the date of the notice of termination provided by the consortium.

Article 5 - Publications and Study Data

5.1 For purposes of this Agreement, (a) the term “Study Data” shall mean all information concerning funded UC Irvine Vision Research Consortium Research projects. A Partner involved in the research may designate Study Data as confidential (“Confidential Information”). The Study Data must be labeled or identified in writing as "Confidential" at the time of disclosure and will be protected according to procedures set out by the EC after consultation by the IAB.

5.2 Industrial Partner(s) recognizes the results of research projects must be publishable and agrees that researchers engaged in Consortium Research projects shall be permitted to present at symposia and international, national or regional professional meetings, and to publish in journals, theses, or dissertations, or otherwise of their own choosing, the methods and results of research projects, provided however, that Industrial Partners shall receive copies of any proposed publication or presentation regarding Consortium Research at least sixty (60) days in advance of the submission to a journal, editor, or other third party. Industrial Partner(s) shall have one (1) month after receipt of said copies to object, in writing, to the proposed publication or presentation because it contains patentable subject matter which needs protection and/or Confidential Information of the Industrial Partner. In either case, the proposed publication or presentation shall be deferred a maximum of one (1) month from date of the objection to allow the Non-Profit Partner to apply for appropriate patent protection or to provide the researcher(s) and objecting Industrial Partner(s) an opportunity to review the proposal and delete, where necessary, the Confidential Information from the proposed publication or presentation.

5.3 The Industrial Partner shall not provide to the Non-Profit Partner any Confidential Information unless (a) such provision is necessary for the conduct of a research project; (b) prior to disclosure, such Confidential Information is clearly marked “Proprietary and Confidential” (or similar designation); and (c) the Non-Profit Partner is informed of the nature of the Confidential Information, agrees to receive it and are afforded an opportunity to discuss and resolve with the Industrial Partner any potential impact on academic publications.

Article 6 - Publicity

6.1 The Partners will not use each other's names, nor identify any members of their respective project staffs, in any publicity, advertising or news release without prior written approval of an authorized representative of the Industry Partner or the Academic Partner.

Article 7 - Intellectual Property Arising from Consortium Research

7.1 In the absence of licenses or other legal relationships, no Partner shall have any claim or right to protected or proprietary intellectual property developed or created by the UC Irvine Vision Research Consortium during and pursuant to Consortium Research.

7.2 Ownership of UC Irvine Vision Research Consortium Inventions will be determined consistent with US Patent Law. Inventions made solely by employees or agents of the Non-Profit Partner shall be owned by the Non-Profit Partner. Inventions made solely by employees or agents of an Industrial Partner shall belong to that Industrial Partner. Inventions made co-operatively by employees or agents of the Non-Profit Partner and an Industrial Partner shall be co-owned ("Co-owned IP") and, consistent with US Patent Law, the Industry Partner(s) who co-own the Co-owned IP are free to may make, use, sell, or offer to sell the Co-owned IP. Management of a particular UC Irvine Vision Research Consortium Invention will be by the owners under U.S. Patent Law of said UC Irvine Vision Research Consortium Invention.

7.3 For any UC Irvine Vision Research Consortium Invention made by the Non-Profit Partner, each Industrial Partners shall be granted an option to either a letter option for the Invention or a royalty bearing non-exclusive license to the UC Irvine Vision Research Consortium Invention, at the discretion of the Industrial Partner, if such UC Irvine Vision Research Consortium Invention was made during the Participation Period for the Industrial Partner. Industrial partners shall be entitled to this option at no additional cost under terms outlined in 7.8. The Collaborating Industry Partners listed in the scope of study may request that the other Industrial Partners waive their rights to the option in this section. If the other Industrial Partners waive their option rights under this section in writing, then only the Collaborating Industrial Partners shall be granted the option under this section.

7.4 Industrial Partners that elect to exercise their rights to a license for UC Irvine Vision Research Consortium Inventions agree to pay for the costs of patent application and necessary defense costs, provided that any Industrial Partner may elect not to share in patent litigation costs, but an Industrial Partner who makes such an election will not participate in any royalties, recovered costs or any other benefits resulting from the litigation. If, ninety (90) days after disclosure of the UC Irvine Vision Research Consortium Invention, only one Industrial Partner seeks a license, that Industrial Partner may elect to obtain either a non-exclusive or an exclusive license. Any Industrial Partner who obtains a license has the right to sublicense to its subsidiaries or third parties maintaining all terms and conditions contained in this Partnership Agreement.

7.5 An Industrial Partner shall notify the Executive Board in writing that it desires to exercise its right to license a particular UC Irvine Vision Research Consortium Invention. This notice shall be addressed and mailed by certified mail, return receipt requested, within

ninety (90) days of the disclosure of the UC Irvine Vision Research Consortium Invention.

7.6 If development of a UC Irvine Vision Research Consortium Invention was made in a facility or with research resources supported in part by federal money, any license thereof is subject to overriding obligations to the United States (“U.S.”) Federal Government under 35 U.S.C. §§200-212 and applicable regulations (including a non-exclusive, non-transferable, irrevocable, paid up license to practice or have practiced the UC Irvine Vision Research Consortium Invention for or on behalf of the U.S. Government throughout the world).

7.7 A UC Irvine Vision Research Consortium Invention jointly owned by the Non-Profit Partner and an Industry Partner(s) (“Co-owned IP”) shall be co-owned, and consistent with US Patent Law the Industry Partner(s) who co-own the Co-owned IP are free to may make, use, sell, or offer to sell the Co-owned IP. In such cases, the other Industrial Partners shall be granted first right to negotiation for a royalty bearing exclusive license to the Non-Profit Partner’s rights to the UC Irvine Vision Research Consortium Invention if such UC Irvine Vision Research Consortium Invention was made during the Participation Period for the Industrial Partner. Industrial partners shall be entitled to this option at no additional cost under terms outlined in 7.8.

7.8 Licenses will contain the summary terms set forth in Exhibit A. Exhibit B provides some historical data for royalties as an exhibit which are non-binding and are only meant to provide a historical context.

Article 8 - Sponsored Research

8.1 It is the intent of UC Irvine Vision Research Consortium that Industrial Partners contract individually with the Non-Profit Partner for Sponsored Research of particular interest to the Industrial Partners. The scope and nature of the Sponsored Research will be disclosed to the Executive Committee.

8.2 For Sponsored Research, the Non-Profit Partner(s) and Industry Partner will determine ownership of intellectual property made in the performance of the Sponsored Research, with the terms of the Sponsored Research Agreement being substantially the same as Exhibit C.

Article 9 - Miscellaneous

9.1 The Agreement shall not be assigned or delegated, in whole or in part, by any Partner, nor shall any assignment or delegation be valid, without the prior written consent of the EC.

9.2 No modifications or amendments to this Agreement shall be valid unless contained in writing and signed by all parties to this Agreement.

9.3 This instrument contains the entire agreement between the parties and is not subject to any

prior or other terms, conditions, statements, or representation except those expressly set forth or incorporated by reference herein or which may be contained in a separate confidential non-disclosure agreement between the parties.

9.4 This agreement shall be binding upon the parties hereto and their successors.

For Industrial Partner

The Regents of the University of California, on behalf of its Irvine Campus

Signature

Signature

Title

Title

Date

Date

EXHIBIT A

SCOPE: An exclusive or non-exclusive field-of-use license for the life of the patents in all territories where the University owns patent rights, covering all patents, patent applications or unpatented tangible properties to which Licensee is granted a license.

SUBLICENSE: An exclusive license may provide for sublicensing under commercially reasonable terms, with a pass through of sublicense income to the University.

LICENSE ISSUE FEES, MILESTONE FEES, AND LICENSE MAINTENANCE FEES: There will be a License Issue Fee payable on execution. The agreement may also include maintenance fees and fees tied to development milestones, depending on the type of license.

ROYALTIES: Royalties on net sales of products covered by the University's patent and proprietary rights will be payable on pending patent applications on issued patents and on unpatented tangible properties. Royalty rates will be negotiated in good faith based on the Licensee's business plan using industry standards in the field.

MINIMUM ANNUAL ROYALTIES: There will be minimum annual royalties, payable at the beginning of each calendar year following public sale, creditable against earned royalties for that calendar year.

DILIGENCE: The license will provide a timetable by which Licensee will file for approval from appropriate United States and corresponding foreign regulatory authorities for permission to sell products as commercially appropriate. If Licensee does not meet these development milestones, the University will have the option of terminating the license or of converting it to a non-exclusive license.

PROGRESS AND ROYALTY REPORTS: Licensee shall submit periodic reports to the University covering Licensee's (and sublicensees') activities related to the development and testing of licensed products and the obtaining of governmental approvals necessary for marketing. After the first commercial sale of a licensed product, Licensee shall make quarterly royalty reports.

PATENT PROSECUTION AND MAINTENANCE: The University will own and diligently prosecute and maintain all patents and patent applications included in the license. The University will keep Licensee informed in a timely manner of prosecution matters and will confer with Licensee when making prosecution decisions. Licensee will reimburse the University for all past and future costs of patent prosecution and maintenance.

PATENT INFRINGEMENT: Licensee may notify the University of any infringement of the licensed patents of which it becomes aware. The University will have the first right to sue infringers, and if it does not take action within 100 days, Licensee is free to sue in its own name and at its own expense.

INDEMNIFICATION: Licensee will indemnify the University against any claims arising from the exercise of the license. The University will require Licensee to carry insurance to back up such indemnification, and name the University as an additional insured.

WARRANTIES: The University provides no warranty of merchantability or fitness of the licensed technology for a particular purpose or any other warranty. The University does not represent that the licensed products will not infringe any patent or other proprietary right.

USE OF NAME: Unless required by law, the use by Licensee of the name, "The Regents of the University of California" or the name of any campus of the University of California in any Licensee publicity, marketing or promotional material is expressly prohibited.

ASSIGNABILITY: The license agreement shall be personal to Licensee and assignable by Licensee only with the written consent of the University, which consent will not be unreasonably withheld or delayed.

LATE PAYMENTS: In the event that payments are not received by the University when due, Licensee shall pay to the University interest charges at a rate of ten (10) percent per annum.

GOVERNING LAWS: The license agreement shall be interpreted and construed in accordance with the laws of the State of California. The applicable laws of the country of the subject patent or patent application will govern the scope and validity of any patent or patent application included in the license agreement.

EXPORT CONTROL LAWS: Licensee shall observe all applicable U.S. and foreign laws with respect to transfer of products and related technical data to foreign countries.

EXHIBIT B

HISTORICAL ROYALTY RATES UNIVERSITY OF CALIFORNIA, IRVINE

Historically the royalty range for medical device licenses is usually 4 to 6 percent for early stage discoveries/UC Irvine startups. Early stage pharma agreements run in the same range. However, if the PI or the university has a more mature discovery, something close to clinical trials, the royalty would be higher. For example, when

companies acquire a new experimental entity that is in Phase II or III clinical trials, the upfront payment is in the millions of dollars and double digit royalties are typical.

EXHIBIT C

SCOPE OF WORK: The scope of work is a detailed written description of the work that the Principal Investigator will undertake during the term of the research agreement. The proposed scope of work and budget must be reviewed and approved by the UC Irvine Office of Research Administration (ORA). After ORA reviews and approves the proposal it is then submitted to the Sponsor for approval.

PERIOD OF PERFORMANCE: The work under the Agreement will be performed within a designated period with specific start and end dates. This period may be extended by mutual written agreement.

BUDGET: As a public institution, UC Irvine is required to recover the full cost of sponsored research and therefore, the Sponsor will pay all direct and indirect costs of research project. The budget represents the Principal Investigator's best estimate of the costs that will be incurred while conducting the scope of work. If costs are expected to exceed the agreed budget, either the budget can be increased by mutual agreement or performance limited to available funds.

PAYMENTS: As a public institution, UC Irvine cannot underwrite expenses for the Sponsor. To initiate the research project, an upfront payment must be paid upon execution of the Agreement. In addition, scheduled payments must be made throughout the performance period of the research agreement.

CONFIDENTIALITY: The Sponsor shall disclose information only necessary to the work and, if any such information is considered confidential, the Sponsor shall clearly mark such information "Confidential." If orally disclosed, Sponsor will reduce such information to writing and will clearly identify the information as "Confidential" and provide it to the Principal Investigator within thirty calendar days of disclosure. To the extent permissible by law, the University will maintain confidentiality of the Sponsors proprietary information based on the Principal Investigators established practice and methods for maintaining such information. However, the period of confidentiality cannot exceed three years.

RIGHTS IN DATA AND REPORTS: As an academic institution, the University needs to own all technical reports, data and information developed under this Agreement and shall have the right to copyright, publish, disclose, disseminate and use, in whole or in part, any data and information collected, or developed under the Agreement. The University shall provide Sponsor with agreed scheduled reports of the work performed under the Agreement. Sponsor shall have the right to use the technical reports, data and information delivered to it by University for internal research and evaluation purposes.

PUBLICATION: The University conducts research activities as an integral part of its overall educational program, and therefore these activities often form the basis for articles in professional journals, seminar reports, presentations at professional meetings, and student dissertations and theses. The University will undertake a research project only if scientific results can be published or otherwise disseminated. The University may agree to a short delay to allow the Sponsor the opportunity to review publications for disclosure of its

confidential information or for potentially patentable inventions.

PATENT RIGHTS: All rights and title to patents, inventions, and discoveries made solely by University inventors resulting from research conducted under the Agreement will belong to the University. Title to all inventions and discoveries made jointly by University and Sponsor inventors resulting from the research conducted under the Agreement will belong jointly to the University and Sponsor. University will disclose to the Sponsor any inventions or discoveries conceived and first actually reduced to practice in the course of the research performed under the Agreement. If the Sponsor desires the University to file patent applications on any invention, the Sponsor will reimburse all University patent application filing costs. If the Sponsor has agreed to reimburse the University's costs for filing patent applications, the University will grant the Sponsor an option to negotiate a license.

EQUIPMENT: Equipment purchased under this agreement will belong to the University.

INDEMNIFICATION: Sponsor and University will agree to defend, indemnify and hold each other harmless in proportion to and to the extent any liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of the other party.

TERMINATION: Agreement will provide for termination by University or Sponsor upon the giving of prior written notice if either party determines that the research project is no longer academically, technically, or commercially feasible. Sponsor will reimburse the University for any obligations that cannot be cancelled.

APPLICABLE LAW: Agreements accepted by the University are interpreted under California Law. The University will also consider contractual silence regarding this issue, but cannot negotiate any other terms.